

1 HOUSE BILL NO. 812

2 INTRODUCED BY J. WINDY BOY

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF
5 COMMERCE FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT INFRASTRUCTURE PROJECTS
6 THROUGH THE TREASURE STATE ENDOWMENT PROGRAM; AUTHORIZING GRANTS FROM THE
7 TREASURE STATE ENDOWMENT STATE SPECIAL REVENUE ACCOUNT; AUTHORIZING THE TREASURE
8 STATE ENDOWMENT PROGRAM TO ACCESS FUNDS FROM THE BOARD OF INVESTMENTS TO FUND
9 GRANTS FOR PROJECTS THAT MEET REQUIREMENTS BY JUNE 30, 2009; PLACING CONDITIONS UPON
10 GRANTS AND FUNDS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR
11 EMERGENCY GRANTS AND FOR PRELIMINARY ENGINEERING GRANTS; APPROPRIATING MONEY FROM
12 THE TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM STATE SPECIAL REVENUE ACCOUNT
13 TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR FINANCIAL ASSISTANCE
14 TO REGIONAL WATER AUTHORITIES FOR REGIONAL WATER PROJECTS; TERMINATING A PRIOR
15 TREASURE STATE ENDOWMENT GRANT; AMENDING SECTION 1, CHAPTER 435, LAWS OF 2001; AND
16 PROVIDING EFFECTIVE DATES."

17
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

19
20 NEW SECTION. **Section 1. Appropriations from treasure state endowment special revenue**
21 **account.** (1) There is appropriated to the department of commerce \$17,333,653 of the interest earnings from the
22 treasure state endowment special revenue account to finance grants authorized by this section.

23 (2) The funds appropriated in this section must be used by the department to make grants to the
24 governmental entities listed in subsection (3) for the described purposes and in amounts not to exceed the
25 amounts set out in subsection (3). The appropriations are subject to the conditions set forth in [sections 1 through
26 3] and described in the treasure state endowment program 2009 biennium report to the 60th legislature. The
27 legislature, pursuant to 90-6-710, authorizes the grants for the projects listed in subsection (3) of this section. The
28 department shall commit funds to projects listed in subsection (3), up to the amounts authorized, based on the
29 manner of disbursement set forth in [section 3] until interest earnings deposited into the treasure state endowment
30 special revenue account during the 2009 biennium are expended.

1	(3) Subject to [section 3(1)], the following applicants and projects are authorized:	
2	Applicant/Project	Grant Amount
3	1. Lewis and Clark County for the Woodlawn	
4	Addition (water)	\$596,420
5	2. Bainville, Town of (wastewater)	715,000
6	3. Madison County (bridge)	370,100
7	4. Sweet Grass County (bridge)	151,493
8	5. Powell County (bridge)	263,074
9	6. Circle, Town of (wastewater)	750,000
10	7. Harlem, City of (water)	750,000
11	8. Jordan, Town of (wastewater)	700,000
12	9. Thompson Falls, City of (water)	363,000
13	10. Twin Bridges, Town of (wastewater)	750,000
14	11. Seeley Lake-Missoula County Water District (water)	750,000
15	12. Fergus County (bridge)	238,362
16	13. Sunny Meadows-Missoula County Water and Sewer	
17	District (water)	325,000
18	14. Tri-County Water District (water)	313,500
19	15. Blaine County (bridge)	617,017
20	16. Loma County Water and Sewer District (water)	750,000
21	17. Ekalaka, Town of (water and wastewater)	706,369
22	18. Stillwater County (bridge)	407,500
23	19. Sheridan, Town of (wastewater)	750,000
24	20. Carter-Chouteau County Water and Sewer	
25	District (water)	750,000
26	21. Bigfork County Water and Sewer District (wastewater)	750,000
27	22. Dayton-Lake County Water and Sewer District	
28	(wastewater)	750,000
29	23. Judith Basin County (bridge)	192,215
30	24. Pinesdale, Town of (water)	750,000

1	25. Power-Teton County Water and Sewer District (water)	604,286
2	26. Superior, Town of (water)	600,000
3	27. RAE Subdivision County Water and Sewer District	
4	No. 313 (water)	750,000
5	28. Jefferson County (bridge)	295,800
6	29. Fort Benton, City of (stormwater)	750,000
7	30. Laurel, City of (wastewater)	750,000
8	31. Yellowstone County (bridge)	97,079
9	32. Neihart, Town of (water)	223,000
10	33. Three Forks, City of (wastewater)	750,000
11	34. Manhattan, Town of (water)	600,000
12	35. Cut Bank, City of (water)	550,000
13	36. Whitehall, Town of (wastewater)	750,000
14	37. Crow Tribe for Crow Agency (wastewater)	750,000
15	38. Big Sandy, Town of (wastewater)	750,000
16	39. Fairfield, Town of (wastewater)	750,000
17	39. Hamilton, City of (wastewater)	750,000
18	41. Gallatin County for Hebgen Lake (wastewater)	750,000
19	42. Shelby, City of (water)	750,000
20	42. Whitefish, City of (wastewater)	750,000
21	44. Panoramic Heights and Mountain River Heights	
22	County Water District (water)	191,500
23	45. Custer County (bridge)	63,750
24	46. Brady County Water District (wastewater)	750,000
25	47. Elk Meadows Ranchettes County Water District (water)	410,000
26	48. Polson, City of (water)	750,000
27	49. Darby, Town of (water)	750,000
28	50. Goodan-Keil County Water District (water)	532,250
29	51. Butte-Silver Bow County (water)	750,000
30	52. Columbia Falls, City of (wastewater)	750,000

1	53. Mineral County/Saltese Water and Sewer District	
2	(wastewater)	390,000
3	53. North Valley County Water and Sewer District (water)	750,000
4	55. Red Lodge, City of (water)	750,000
5	56. Black Eagle Cascade County Water and Sewer	
6	District (water)	365,000

7 (4) This section constitutes a valid obligation of funds to the grant recipients listed in subsection (3) for
8 purposes of encumbering the treasure state endowment special revenue account funds during the 2009 biennium
9 pursuant to 17-7-302. However, a grant recipient's entitlement to receive funds is dependent on the grant
10 recipient's compliance with the conditions described in [section 3(1)].

11 (5) Funding for projects numbered 1 through 56 in subsection (3) will be provided from the amount that
12 was deposited into the treasure state endowment special revenue account during the biennium ending June 30,
13 2009. Funding for the projects listed in subsection (3) will be made available in the order that the grant recipients
14 satisfy the conditions described in [section 3(1)]. If funds deposited into the treasure state endowment special
15 revenue account during the biennium ending June 30, 2009, are insufficient to fund any of the projects that
16 satisfied the conditions described in [section 3(1)] prior to the biennium ending June 30, 2009, the treasure state
17 endowment program shall fund the projects according to law and those that satisfied the conditions described
18 in [section 3(1)] by June 30, 2009.

19
20 **NEW SECTION. Section 2. Approval of grants -- completion of biennial appropriation.** (1) The
21 legislature, pursuant to 90-6-701, authorizes grants for the projects identified in [section 1(3)].

22 (2) The authorization of these grants completes a biennial appropriation from the treasure state
23 endowment special revenue account provided for in 17-5-703(4)(c).

24
25 **NEW SECTION. Section 3. Conditions and manner of disbursement of grant funds.** (1) The
26 disbursement of grant funds under [sections 1 through 3] for the projects specified in [section 1(3)] is subject to
27 completion of the following conditions:

28 (a) The grant recipient shall execute a grant agreement with the department of commerce.

29 (b) The scope of work and budget for the project as approved by the department in the grant agreement
30 must be consistent with the intent and circumstances under which the application was originally ranked by the

1 department and approved by the legislature. The department may not approve amendments to the scope of work
2 or budget affecting activities or improvements that would materially alter the intent and circumstances under
3 which the application was originally ranked by the department and approved by the legislature.

4 (c) The grant recipient shall document that other matching funds required for completion of the project
5 are firmly committed.

6 (d) The grant recipient must be in compliance with the auditing and reporting requirements provided for
7 in 2-7-503 and have established a financial accounting system that the department can reasonably ensure
8 conforms to generally accepted accounting principles. Tribal governments shall comply with auditing and
9 reporting requirements provided for in OMB Circular A-133.

10 (e) The grant recipient shall satisfactorily comply with any conditions described in the application (project)
11 summaries section of the treasure state endowment program 2009 biennium report to the 60th legislature.

12 (f) The grant recipient shall satisfy other specific requirements considered necessary by the department
13 to accomplish the purpose of the project as evidenced by the application to the department.

14 (2) The department shall commit grant funds to projects authorized in [section 1(3)] in the order that
15 projects have met the conditions in subsection (1) of this section as treasure state endowment special revenue
16 account interest income becomes available during the 2009 biennium.

17 (3) The department shall disburse grant funds on a reimbursement basis as grant recipients incur eligible
18 project expenses.

19 (4) If actual project expenses are lower than the projected expense of the project, the department may,
20 at its discretion, reduce the amount of treasure state endowment program grant funds to be provided to grant
21 recipients in proportion to all other project funding sources. In the alternative, the department may authorize the
22 use of the remaining authorized treasure state endowment program grant amount for the construction of
23 additional, directly related components that will further enhance the overall system.

24 (5) If actual project expenses are lower than the projected expense of a project as presented in the grant
25 recipient's treasure state endowment program application, the department may, at its discretion, reduce the
26 amount of treasure state endowment program grant funds to be provided so that the grant recipient's projected
27 average residential user rates do not become lower than their target rate as determined by the department.

28 (6) With the exception of bridges, all projects must adhere to the design standards required by the
29 department of environmental quality. Recipients of treasure state endowment program funds that are not subject
30 to the department of environmental quality design standards must adhere to generally accepted industry

1 standards, such as Recommended Standards for Wastewater Facilities or Recommended Standards for Water
2 Works, published by the Great Lakes-Upper Mississippi River Board of State and Provincial Public Health and
3 Environmental Managers, latest edition.

4 (7) Recipients of treasure state endowment program funds are subject to the requirements of the
5 department of commerce as described in the treasure state endowment program project administration manual,
6 adopted by the department through the administrative rulemaking process.

7
8 **NEW SECTION. Section 4. Appropriations from treasure state endowment special revenue**
9 **account for emergency grants.** There is appropriated to the department of commerce \$100,000 for the
10 biennium beginning July 1, 2007, from the interest earnings of the treasure state endowment special revenue
11 account for the purpose of providing local governments, as defined in 90-6-701, with emergency grants for
12 infrastructure projects, as defined in 90-6-701.

13
14 **NEW SECTION. Section 5. Appropriations from treasure state endowment special revenue**
15 **account for preliminary engineering grants.** There is appropriated to the department of commerce \$600,000
16 for the biennium beginning July 1, 2007, from the interest earnings of the treasure state endowment special
17 revenue account for the purpose of providing local governments, as defined in 90-6-701, with preliminary
18 engineering grants for infrastructure projects, as defined in 90-6-701.

19
20 **Section 6.** Section 1, Chapter 435, Laws of 2001, is amended to read:

21 **"Section 1. Appropriations from treasure state endowment special revenue account.** (1) There is
22 appropriated to the department of commerce the interest earnings of the treasure state endowment special
23 revenue account to finance grants authorized by this section.

24 (2) The funds appropriated in this section must be used by the department to make grants to the
25 governmental entities listed in subsection (3) for the described purposes and in amounts not to exceed the
26 amounts set out in subsection (3). The appropriations are subject to the conditions set forth in [sections 1 through
27 3] and described in the treasure state endowment program 2003 biennium report to the 57th legislature. The
28 legislature, pursuant to 90-6-710, authorizes the grants for the projects listed in subsection (3). The department
29 shall commit funds to projects listed in subsection (3), up to the amounts authorized, based on the manner of
30 disbursement set forth in [section 3] until interest earnings deposited into the treasure state endowment special

1 revenue account during the 2003 biennium are expended.

2 (3) The following applicants and projects are authorized for grants in the order of their priority:

3 Applicant/Project	Grant
4 1. Lewis and Clark County (bridge)	\$500,000
5 2. Alder Water and Sewer District, Madison County	
6 (wastewater)	500,000
7 3. Hot Springs, Town of (water)	500,000
8 4. Whitewater Water and Sewer District, Phillips County	
9 (wastewater)	500,000
10 5. Virginia City, Town of (wastewater)	500,000
11 6. Froid, Town of (wastewater)	390,600
12 7. Nashua, Town of (wastewater)	500,000
13 8. Richland County (bridge)	296,500
14 9. Lavina, Town of (wastewater)	483,000
15 10. Gardiner-Park County Water District, Park County	
16 (water)	398,500
17 11. Park City/County Water and Sewer District,	
18 Stillwater County (wastewater)	500,000
19 12. Stanford, Town of (wastewater)	500,000
20 13. Florence County Water and Sewer District,	
21 Ravalli County (wastewater)	500,000
22 14. Ashland County Water and Sewer District,	
23 Rosebud County (wastewater)	500,000
24 15. Geraldine, Town of (water)	167,460
25 16. Manhattan, Town of (wastewater)	500,000
26 17. Lambert County Water and Sewer District,	
27 Richland County (water)	403,000
28 18. Browning, Town of (water)	500,000
29 19. Kevin, Town of (wastewater)	385,000
30 20. Power-Teton Co. Water and Sewer District,	

1	Teton County (water)	425,000
2	21. Blackfeet Tribe (water)	500,000
3	22. Whitefish, City of (wastewater)	500,000
4	23. Choteau, City of (wastewater)	500,000
5	24. Lockwood Water and Sewer District, Yellowstone	
6	County (wastewater)	500,000
7	25. Eureka, Town of (water)	369,000
8	26. Shelby, City of (water)	500,000
9	27. Charlo Sewer District, Lake County (wastewater)	500,000
10	28. Essex Water and Sewer District, Flathead County	
11	(water)	225,000
12	29. Yellowstone County (bridge)	300,000
13	30. Hinsdale Water and Sewer District, Valley County	
14	(wastewater)	329,000
15	31. Havre, City of (water)	500,000
16	32. Helena, City of (storm drain)	500,000
17	33. Fairfield, Town of (wastewater)	500,000
18	34. Jordan, Town of (water/wastewater)	500,000

19 (4) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant
 20 recipients listed in subsection (3) for purposes of encumbering the treasure state endowment special revenue
 21 account funds received during the 2003 biennium under 17-7-302. However, a grant recipient's entitlement to
 22 receive funds is dependent on the grant recipient's compliance with the conditions described in [section 3(1)] and
 23 on the availability of funds.

24 (5) If funds deposited into the treasure state endowment special revenue account during the biennium
 25 ending June 30, 2003, are insufficient to fully fund the projects numbered 1 through 31 in subsection (3) that have
 26 satisfied the conditions described in [section 3(1)] by June 30, 2003, these projects will be funded from deposits
 27 into the treasure state endowment special revenue account made during the 2005 biennium, before projects
 28 authorized by the 58th legislature receive funding from the account. However, any of the projects numbered 1
 29 through 31 listed in subsection (3) that have not completed the conditions described in [section 3(1)] by January
 30 1, 2003, must be reviewed by the next regular session of the legislature to determine if the authorized grant

1 should be withdrawn.

2 (6) Projects numbered 32 through 34 listed in subsection (3) that have satisfied the conditions described
3 in [section 3(1)] may not receive grant funds unless sufficient funds have been deposited into the treasure state
4 endowment special revenue account to fully fund the projects numbered 1 through 31 in subsection (3). However,
5 if a subsequent legislature withdraws funding for any of the projects numbered 1 through 31 listed in subsection
6 (3), those funds could be made available to projects numbered 32 through 34 listed in subsection (3) that have
7 completed the conditions described in [section 3(1)].

8 (7) In the event that any remaining funds deposited into the treasure state endowment special revenue
9 account are insufficient to fully fund one of the grant recipients listed in subsection (3), the department may make
10 the remaining funds from the treasure state endowment special revenue account available to the grant recipient
11 on condition that the grant recipient is able to firmly commit the balance of the amount necessary to fund the
12 project in its entirety."

13
14 **NEW SECTION. Section 7. Appropriation from treasure state endowment regional water system**
15 **special revenue account.** (1) There is appropriated to the department of natural resources and conservation
16 the interest earnings of the treasure state endowment regional water system special revenue account to finance
17 the state's share of regional water system projects authorized by this section and as set forth in 90-6-715.

18 (2) The dry prairie rural water authority and the north central Montana regional water authority are
19 authorized to receive funds.

20 (3) Up to \$6,686,000 is authorized to provide the state's share for regional water system projects.

21 (4) A regional water authority's receipt of funds is dependent on the authority's compliance with the
22 conditions described in [section 9(1)].

23 (5) This section constitutes a valid obligation of funds to the regional water authorities listed in subsection
24 (2) for purposes of encumbering the treasure state endowment regional water system special revenue account
25 funds received during the 2009 biennium under 17-7-302.

26
27 **NEW SECTION. Section 8. Approval of funds -- completion of appropriation.** (1) The legislature,
28 pursuant to 90-6-715, authorizes funds for the regional water authorities identified in [section 7(2)].

29 (2) The authorization of these funds completes an appropriation from the treasure state endowment
30 regional water system special revenue account provided for in 17-5-703(4)(d).

1

2 **NEW SECTION. Section 9. Conditions -- manner of disbursement of funds.** (1) The disbursement
3 of funds under [sections 7 through 9] is subject to completion of the following conditions:

4 (a) The regional water authority shall execute an agreement with the department of natural resources
5 and conservation.

6 (b) The regional water authority must have a project management plan that is approved by the
7 department.

8 (c) The regional water authority shall establish a financial accounting system that the department can
9 reasonably ensure conforms to generally accepted accounting principles.

10 (d) The regional water authority shall provide the department with a detailed preliminary engineering
11 report.

12 (2) The department shall disburse funds on a reimbursement basis as the regional water authority incurs
13 eligible project expenses.

14

15 **NEW SECTION. Section 10. Notification to tribal governments.** The secretary of state shall send
16 a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
17 band of Chippewa.

18

19 **NEW SECTION. Section 11. Effective dates.** (1) [Sections 7 through 10 and this section] are effective
20 on passage and approval.

21 (2) [Sections 1 through 6] are effective July 1, 2007.

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